

RESULTS
STATE OIL AND GAS BOARD OF ALABAMA
BOARD MEETING
AUGUST 2 & 3, 2007

1. DOCKET NO. 11-1-06-6

Continued petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from coalbeds in the Pottsville Formation in the Falls 28-16-826 Well to be located on an 80-acre unit consisting of the Southeast Quarter of the Southeast Quarter of Section 28, and the Northeast Quarter of the Northeast Quarter of Section 33, all in Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field.

This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Dismissed 8-3-07

ORDER NO. 2007-114

2. DOCKET NO. 11-01-06-10

Continued petition by SAGA PETROLEUM, LLC, a Colorado limited liability company authorized to do and doing business in the State of Alabama, requesting the State Oil & Gas Board of Alabama to enter an order force pooling, with risk compensation, all tracts and interests in coalbed methane produced from a well drilled to the Pottsville Formation on a unit consisting of approximately 40 acres located in the Southeast Quarter of the Northwest Quarter of Section 34, Township 19 South, Range 9 West, Tuscaloosa County, Alabama, in the Deerlick Creek Coal Degasification Field. This petition is in accordance with Section 9-17-13, ALABAMA CODE (1975), as amended, and Rules 400-7-1 and 400-7-2 of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Continued 8-3-07

3. DOCKET NO. 1-31-07-4

Continued petition by MAYNE & MERTZ, INC., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving a 320-acre unit for the Jones Trust 21-4 No. 1 Well consisting of the South Half of the Southwest Quarter of Section 16, the South Half of the Southeast Quarter of Section 17, the North Half of the Northeast Quarter of Section 20, and the North Half of the Northwest Quarter of Section 21, all in Township 1 North, Range 9 East, Escambia County, Alabama, in the Jernigan Mill Creek Field as an exception to Rule 3(a) of the Special Field Rules for said Field which requires, in part, that wells in said Field be located on units consisting of two contiguous governmental quarter sections containing approximately 320 contiguous acres.

The public is further advised that, pursuant to this hearing, the applicable provisions of the Code of Alabama (1975), and the State Oil and Gas Board of Alabama Administrative Code, the Board will enter such Order or Orders as in its judgment may be necessary in accordance with the evidence submitted and accepted.

BOARD ACTION: Continued 8-3-07

4. DOCKET NO. 2-28-07-32

Continued petition by NATURAL GAS & OIL, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from formations of Mississippian and Pennsylvanian Age, from a well to be drilled on a 320-acre drilling unit consisting of the South Half of Section 14, Township 16 South, Range 15 West, Lamar County, Alabama, as a productive extension of the Mt. Zion Field.

This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Continued 8-3-07

5. DOCKET NO. 4-11-07-21

Continued petition by HOLLAND OPERATING CO., INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order pursuant to Sections 9-17-1 through 9-17-33 and 9-17-80 through 9-17-88, Code of Alabama (1975) approving and establishing a partial field-wide unit, to be known as "Moundville Unit I," consisting of the hereinafter described "Unit Area" in the Moundville Coal Degasification Field, Tuscaloosa, Hale and Greene Counties, Alabama, and requiring the operating of said Unit Area as a single unit in order to avoid the drilling of unnecessary wells, increase the efficiency of operations and improve the ultimate recovery of occluded natural gas from the Unitized Formation, as hereinafter defined, and avoid waste. The "Unitized Formation" is to be designated as the Pottsville Coal Interval underlying the Unit Area, the productive interval of which is found between the depths of 500 feet and 5,000 feet as encountered in the Tubbs 9-1-73-4173 Well, Permit No. 7540-C, located in the Northeast Quarter of Section 9, Township 23 North, Range 5 East, Hale County, Alabama, as indicated on the density log of said well, and all zones in communication therewith and all productive extensions thereof, including any coal seam stringer that might occur within a depth of either 80 feet above or 80 feet below the Pottsville Coal Interval, as defined in said wells, and including those coal seams which can be correlated therewith. Petitioner further seeks approval of the Unit Agreement and Unit Operating Agreement, as ratified, in accordance with Section 9-17-84, Code of Alabama (1975), and approval of the amendments to the Special Field Rules for the Moundville Coal Degasification Field in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

Petitioner further seeks entry of an order unitizing, pooling and integrating the Unit Area, as underlain by the above defined Unitized Formation so as to require all owners or claimants of royalty, overriding royalty, mineral, and leasehold interests within the Unit Area to unitize, pool and integrate their interests and develop their lands or interests as a unit, and designating Holland Operating Co., Inc. as Operator of the Unit Area in accordance with the laws of Alabama. The proposed Unit Area, to be designated Moundville Unit I, containing approximately 160 acres, consists of the following described parcels in Hale County, Alabama: East Half of the Northeast Quarter of Section 9 and the West Half of the Northwest Quarter of Section 10, all in Township 23 North, Range 5 East.

BOARD ACTION: Continued 8-3-07

6. DOCKET NO. 4-11-07-27

Continued petition by ENERGEN RESOURCES CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving a proposed 320-acre exceptional wildcat drilling unit for the Floyd Anderson 20-14 #1 Well consisting of the West Half of Section 20, Township 14 South, Range 3 East, St. Clair County, Alabama, as an exception to Rule 400-1-2-.02(2)(a) of the State Oil and Gas Board of Alabama Administrative Code, which provides that a well may be drilled on a drilling unit consisting of a governmental quarter-quarter section consisting of approximately 40 acres.

This petition is filed as a companion to a petition bearing Docket No. 4-11-07-28 requesting force pooling without imposition of a risk compensation penalty.

BOARD ACTION: Continued 8-3-07

7. DOCKET NO. 5-16-07-8

Continued petition by FOUR STAR OIL & GAS COMPANY, a subsidiary of Chevron U.S.A. Inc., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status and the Class II UIC permit for the following described gas injection well in Mobile County, Alabama, in the Hatter's Pond Unit, in accordance with Rules 400-1-4-.17(1) and 400-4-2-.01(5) of the State Oil and Gas Board of Alabama Administrative Code:

PERMIT NO.
2735-B-GI-93-1

WELL NAME
Hatter's Pond Unit 34-10 #1 ST

LOCATION
S34, T1S, R1W

The previous temporarily abandoned status and the Class II UIC permit for this well will expire on May 18, 2007. Petitioner requests the Board to grant a one year extension beginning May 18, 2007, because said well has future utility and should not be plugged.

BOARD ACTION: Granted 8-3-07 with the stipulation that by July 2008 petitioner will commence operations to sidetrack the well to establish production or commence operations to plug and abandon the well.

ORDER NO. 2007-115

8. DOCKET NO. 6-25-07-5

Continued petition by BLACK WARRIOR METHANE CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board, pursuant to Rule 400-3-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code, to enter an order extending the temporarily abandoned status for certain wells in the Brookwood Coal Degasification Field, Tuscaloosa and Jefferson Counties, Alabama, in the following areas, for a period of one (1) year:

Township 19 South, Range 6 West, Tuscaloosa County

Section 31

Township 19 South, Range 7 West, Tuscaloosa County

Sections 31, 32, 33, 34 and 35

Township 19 South, Range 8 West, Tuscaloosa County

Sections 25, 26, 27, 33 and 35

Township 20 South, Range 6 West, Tuscaloosa County

Sections 6 and 7

Township 20 South, Range 7 West, Tuscaloosa County

Sections 1, 3, 4, 7, 9, 10, 12, 15, 16, 17, 21 and 28

Township 20 South, Range 8 West, Tuscaloosa County

Sections 3, 4, 10, 13, 14, 15, 23 and 24

The previously granted temporarily abandoned status expires on June 27, 2007, and Petitioner is requesting this Board to grant a one year extension of the temporarily abandoned status beginning June 27, 2007, because all of the wells in the aforementioned Sections have future utility and should not be plugged.

BOARD ACTION: Continued 8-3-07 with the stipulation that the temporarily abandoned status be continued until the next regularly meeting of the Board.

9. DOCKET NO. 6-25-07-6

Continued petition by BLACK WARRIOR METHANE CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board, pursuant to Rule 400-3-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code, to enter an order extending the temporarily abandoned status for certain wells in the Oak Grove Coal Degasification Field, Tuscaloosa and Jefferson Counties, Alabama, in the following areas, for a period of one (1) year:

Township 19 South, Range 6 West, Jefferson County

Section 21

The previously granted temporarily abandoned status expires on June 27, 2007, and Petitioner is requesting this Board to grant a one year extension of the temporarily abandoned status beginning June 27, 2007, because these wells in the aforementioned Section have future utility and should not be plugged.

BOARD ACTION: Continued 8-3-07 with the stipulation that the temporarily abandoned status be continued until the next regularly meeting of the Board.

10. DOCKET NO. 6-25-07-7

Continued petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order reforming the unit for the Jernigan 01-02-1068 Well, Permit No. 14617-C, from an 80-acre unit consisting of the West Half of the Northeast Quarter of Section 1, Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field to a 40-acre unit consisting of the Northwest Quarter of the Northeast Quarter of said Section 1.

Although Petitioner requests the Board to eliminate certain lands from the present spacing unit, Petitioner proposes to drill another coalbed methane well in the lands proposed to be eliminated.

BOARD ACTION: Granted 8-3-07 with the stipulation that Board Order No. 2006-57 is terminated.

ORDER NO. 2007-116

11. DOCKET NO. 6-25-07-8

Continued petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from coalbeds in the Pottsville Formation in the Jernigan 01-07-1106 Well to be drilled on a 40-acre unit consisting of the Southwest Quarter of the Northeast Quarter of Section 1, Township 18 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field.

This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Dismissed 8-3-07

ORDER NO. 2007-117

12. DOCKET NO. 6-25-07-13

Continued petition by EL PASO E & P COMPANY, L.P., a Delaware limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil & Gas Board of Alabama to enter an order force pooling, with risk compensation all tracts and interests in a 40 acre drilling unit for the proposed Calmes 02-05-554 Well, having a unit consisting of all of the Southwest Quarter of the Northwest Quarter, Section 2, Township 17 South, Range 8 West, Walker County, Alabama, in the White Oak Creek Coal Degasification Field. This petition is in accordance with Section 9-17-13, ALABAMA CODE (1975), as amended, and Rules 400-7-1 and 400-7-2 of the State Oil and Gas Board of Alabama Administrative Code. Petitioner requests that due and proper notice of the hearing on this matter be given in the manner and form and for the time required by law and the rules and regulations of this Board.

BOARD ACTION: Continued 8-3-07

13. DOCKET NO. 8-2-07-1

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order amending Rule 2 of the Special Field Rules for the Blue Creek Coal Degasification Field, Tuscaloosa and Fayette Counties, Alabama, in order to add Sections 3, 4, 5 and 6, Township 19 South, Range 10 West, Tuscaloosa County, Alabama to the field limits of said field.

BOARD ACTION: Granted 8-3-07

ORDER NO. 2007-118

14. DOCKET NO. 8-2-07-2A

Amended petition by SUNDOWN ENERGY, L.P., a foreign limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Lewis and Carter Formations, from the re-entry of the J.W. Newman et al 12-13 #1 Well, Permit No. 11607, to be located on a 320-acre wildcat unit consisting of the West Half of Section 12, Township 16 South, Range 15 West, Lamar County, Alabama.

This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code.

BOARD ACTION: Granted 8-3-07

ORDER NO. 2007-119

15. DOCKET NO. 8-2-07-3

Petition by DOMINION BLACK WARRIOR BASIN, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from coalbeds in the Pottsville Formation in the proposed Stothart 36-13-1045 Well to be drilled on a 40-acre unit consisting of the Southwest Quarter of the Southwest Quarter of Section 36, Township 17 South, Range 10 West, Tuscaloosa County, Alabama, in the Blue Creek Coal Degasification Field.

BOARD ACTION: Dismissed 8-3-07

ORDER NO. 2007-120

This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code.

16. DOCKET NO. 8-2-07-4

Petition by DE SOTO OIL & GAS, INC., a Florida corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil & Gas Board of Alabama to enter an Order approving an exception to the spacing requirements as set out in Rule 3(b) of the Special Field Rules for the Big Escambia Creek Field, so as to allow the Petitioner to drill a Well known as the Edwards 13-1 No. 1 Well, with a proposed bottom hole location to be no closer than 660 feet from the north line and no closer than 660 feet from the east line of the unit for said Edwards 13-1 No. 1 Well, which is comprised of the entire Section 13, Township 1 North, Range 7 East, Big Escambia Creek Field, Escambia County, Alabama.

This Petition is a companion to Docket No. 8-2-07-5 in which Petition requests approval of force pooling of the interest in the Edwards 13-1 No. 1 Well.

BOARD ACTION: Continued 8-3-07

17. DOCKET NO. 8-2-07-5

Petition by DE SOTO OIL & GAS, INC., a Florida corporation authorized to do and doing business in the State of Alabama, requesting the State Oil & Gas Board of Alabama to enter an order force pooling, with risk compensation, all tracts and interests in a 640-acre drilling unit for the proposed Edwards 13-1 No. 1 Well, having a unit consisting of all of Section 13, Township 1 North, Range 7 East, Escambia County, Alabama, in the Big Escambia Creek Field with an objective depth of the Smackover Formation as defined by the Special Field Rules for the Big Escambia Creek Field. This petition is in accordance with Section 9-17-13, ALABAMA CODE (1975), as amended, and Rules 400-7-1 and 400-7-2 of the State Oil and Gas Board of Alabama Administrative Code. Petitioner requests that due and proper notice of the hearing on this matter be given in the manner and form and for the time required by law and the rules and regulations of this Board.

This Petition is a companion to Docket No. 8-2-07-4 in which Petitioner requests approval of an exceptional location for bottom hole location of the Edwards 13-1 No. 1 Well.

BOARD ACTION: Continued 8-3-07

18. DOCKET NO. 8-2-07-6

Petition by LOWER 15 OIL CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the re-entry of the Mattie Clark #1 Well, Permit No. 1280, located on a 40-acre unit consisting of the Northwest Quarter of the Southeast Quarter of Section 1, Township 10 North, Range 3 West, Choctaw County, Alabama, in the Gilberttown Oil Field.

This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-7-2-01 of the State Oil and Gas Board of Alabama Administrative Code.

The public is further advised that, pursuant to this hearing the applicable provision of the Code of Alabama (1975), and the State Oil and Gas Board of Alabama Administrative Code, the Board will enter such Order or Orders as in its judgment may be necessary in accordance with the evidence submitted and accepted.

BOARD ACTION: Continued 8-3-07

19. DOCKET NO. 4-30-03-7

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to consider issuing an order for Vintage Petroleum, Inc., Hunt Refining Company, and Pruet Production Company to clean up and remove the oil on the lands of Lois Ezell and the adjoining pipeline right-of-way located in Section 29, Township 11 North, Range 3 West, Choctaw County, Alabama. Vintage Petroleum, Inc., operates the Ezell 29-5 Well, Permit No. 1844, on the lands of Lois Ezell, and certain oil pipelines on the pipeline right-of-way adjoining the lands of Lois Ezell. Hunt Oil Company operates an oil pipeline on the pipeline right-of-way adjoining the lands of Lois Ezell. Pruet Production Company operates a natural gas pipeline and a salt-water pipeline on the pipeline right-of-way adjoining the lands of Lois Ezell. The jurisdiction and authority of the Board is set forth in Section 9-17-1 et seq. of the Code of Alabama (1975), as amended.

BOARD ACTION: Continued 8-3-07

20. DOCKET NO. 4-25-06-34

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, Lower 15 Oil Corporation to show cause why the following abandoned wells located in the Gilbertown Field, Choctaw County, Alabama, and described hereinbelow should not be ordered plugged and abandoned in accordance with Rule 400-1-4-.14 of the State Oil and Gas Board of Alabama Administrative Code relating to Plugging and Abandonment of Wells and the well sites and associated tank battery sites restored in accordance with Rule 400-1-4-.16 of the State Oil and Gas Board of Alabama Administrative Code relating to Restoration of Location. Additionally, the Frank Gibson #1 Well, Permit No. 1071, which is described hereinbelow under Plugged and Abandoned well was plugged and abandoned on August 21, 1997, however the well site has not been restored in accordance with Rule 400-1-4-.16 of the State Oil and Gas Board of Alabama Administrative Code relating to Restoration of Location. Further, the Board is requesting the operator to show cause why sites, such as well sites, production facility sites, and Class II injection facility sites should not be ordered to be brought into compliance with Rule 400-1-4-.10 of the State Oil and Gas Board of Alabama Administrative Code relating to Site Maintenance.

East Gilbertown Eutaw Unit Wells & Tank Batteries

<u>Permit No.</u> (Tank Battery No.)	<u>Well Name</u> (Tank Battery)	<u>Location</u>
1280	Mattie Clark #1	S1, T10N, R3W
1293	C. F. Stewart Heirs #1	S1, T10N, R3W
(1293 TB)	(C. F. Stewart Heirs #1)	S1, T10N, R3W
1338	Mattie Clark #3	S1, T10N, R3W
10416	Mattie E. Clark #1-6	S1, T10N, R3W
(1343 TB)	(Abston Jones 1-6)	S1, T10N, R3W

Other Well

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
1431	Joseph W. Hutchinson, Jr. et al #1	S7, T10N, R3W

Plugged and Abandoned well (well site not restored)

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
1071	Frank Gibson #1	S1, T10N, R3W

BOARD ACTION: Continued 8-3-07

21. DOCKET NO. 1-31-07-12

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend Rule 400-3-8-.03 of the State Oil and Gas Board of Alabama Administrative Code relating to the Protection of Underground Sources of Drinking Water during the Hydraulic Fracturing of Coal Beds so as to revise the filing, evaluation, approval, and operational requirements contained therein. In 2005, Congress amended the Safe Drinking Water Act, 42 U.S.C. Sec. 300h to exclude from the application of the Act "the underground injection of fluids or propping agents (other than diesel fuel) pursuant to hydraulic fracturing operations related to oil, gas, or geothermal production activities." 42 U.S.C. Sec. 300h(d)(1). Therefore, in its Motion the Board proposes to exclude hydraulic fracturing from the regulatory requirements of the Class II Underground Injection Control Program that is being administered by the State Oil and Gas Board.

BOARD ACTION: Continued 8-3-07

22. DOCKET NO. 8-2-07-7

MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA requesting Operator, Cedarhill Operating Co., L.L.C., to show cause why the following abandoned wells located in the Gilbertown Field and Bucatunna Creek Field in Choctaw County, Alabama, and described hereinbelow should not be ordered plugged and abandoned in accordance with Rule 400-1-4-.14 of the State Oil and Gas Board of Alabama Administrative Code relating to Plugging and Abandonment of Wells and the well sites and associated tank battery sites restored in accordance with Rule 400-1-4-.16 of the State Oil and Gas Board of Alabama Administrative Code relating to Restoration of Location.

Gilbertown Field Wells and Tank Batteries

<u>Permit No.</u> <u>(Tank Battery No.)</u>	<u>Well Name</u> <u>(Tank Battery)</u>	<u>Location</u>
11476 (11476 TB)	Boney 33-8 #1 (Boney 33-8 #1)	S33, T11N, R4W S33, T11N, R4W
3038	Bonner Merritt #35-5	S35, T11N, R5W
3078	Davis #34-8	S34, T11N, R5W
3470	Merritt #34-1	S34, T11N, R5W
4241 (3038 TB)	Land et al 34-2 #1 (Bonner Merritt #35-5)	S34, T11N, R5W S34, T11N, R5W
11464 11464 TB	Merritt 35-4 #1 (Merritt 35-4 #1)	S35, T11N, R5W S35, T11N, R5W
2862-AB	Land Brothers 36-5 #2	S36, T11N, R5W
2930-AB	Land 36-6 #1	S36, T11N, R5W
13646-BH	Davis 35-7 #1	S35, T11N, R5W
13755-BH (2862-AB TB)	Triad 36-7 #1 (Land Brothers 36-5 #2)	S36, T11N, R5W S36, T11N, R5W

Bucatunna Creek Underground Injection Control Well

2753-B-SWD-80-1	Johnson 14-14#1	S14, T11N, R5W
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BOARD ACTION: Continued 8-3-07